

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR \_\_\_\_\_**

TYPE<sup>1</sup>: \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_  
 For the State of: \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 NAIC Group Code: \_\_\_\_\_ NAIC Company Code \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Person Completing Exhibit: \_\_\_\_\_  
 Title: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

	(a) Earned Premium	(b) Incurred Claims
1. Current Year's Experience		
a. Total (all Policy years)		
b. Current years' issues		
c. Net (1a-1b)		
2. Past Year's Experience (All policy years)		
3. Total Experience (1c+2)		
4. Refunds Last Year (excluding interest)		
5. Previous Since Inception (excluding interest)		
6. Refunds Since Inception (excluding interest)		
7. Benchmark Ratio since Inception (Ratio 1)		
8. Experience Ratio Since Inception (Ratio2 )		
(Line 3, Col b) / (Line 3, Col. a – Line 6)		
9. Life Years Exposed Since Inception. If (Line 8, < Line 7) AND (Line 9 > . 500), proceed; else stop.		
10. Tolerance Permitted (from credibility table)		
11. Adjustment to Incurred Claims for Credibility (Ratio 3 = Ratio 2 + Tolerance)		
12. Adjusted Incurred Claims (Line 3, Col. a – Line 6) x Line 11		
13. Refund (Line 3, Col. a – Line 6 – (Line 12/Line 7))		

If line 11 . Line 7, a  
refund/credit is not required.

The refund is only paid if it  
exceeds the *De minimus*  
Amount. The distribution  
methodology must be filed also.

Medicare Supplement Credibility Table	
Life Yrs Exposed Since Inception	Tolerance
10,000 +	0.0%
5,000 -9,999	5.0%
2,500 – 4,999	7.5%
1,000 – 2,499	10.0%
500 – 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Signature \_\_\_\_\_

Name (type) \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

REPORTING FORM FOR THE CALCULATION OF BENCHMARK  
RATIO SINCE INCEPTION FOR GROUP POLICIES  
FOR CALENDAR YEAR \_\_\_\_\_

TYPE<sup>1</sup>: \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_

For the State of: \_\_\_\_\_

Company Name \_\_\_\_\_

NAIC Group Code: \_\_\_\_\_ NAIC Company Code \_\_\_\_\_

Address: \_\_\_\_\_

Person Completing Exhibit: \_\_\_\_\_

Title: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

(a) <sup>3</sup>	(b) <sup>4</sup>	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o) <sup>5</sup>
Year	Earned Premium	Factor	(b)x(c)	Cumulative Loss Ratio	(d)x(e)	Factor	(b)x(g)	Cumulative Loss Ratio	(h)x(i)	Policy Year Loss Ratio
1		2.770		0.507		0.000		0.000		0.46
2		4.175		0.567		0.000		0.000		0.63
3		4.175		0.567		1.194		0.759		0.75
4		4.175		0.567		2.245		0.771		0.77
5		4.175		0.567		3.170		0.782		0.80
6		4.175		0.567		3.998		0.792		0.82
7		4.175		0.567		4.754		0.802		0.84
8		4.175		0.567		5.445		0.811		0.87
9		4.175		0.567		6.075		0.818		0.88
10		4.175		0.567		6.650		0.824		0.88
11		4.175		0.567		7.176		0.828		0.88
12		4.175		0.567		7.655		0.831		0.88
13		4.175		0.567		8.093		0.834		0.89
14		4.175		0.567		8.493		0.837		0.89
15		4.175		0.567		8.684		0.838		0.89
Total:			(k):		(l):		(m):		(n):	

Benchmark Ratio Since Inception:  $(l + n)/(k + m)$ : \_\_\_\_\_

<sup>1</sup> Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

<sup>2</sup> "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans.

<sup>3</sup> Year 1 is the current calendar year - 1. Year 2 is the current calendar year - 2 (etc.) (Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989, etc.)

<sup>4</sup> For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

<sup>5</sup> These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for informational purposes only.